

## Message Text

LIMITED OFFICIAL USE

PAGE 01 ADDIS 00499 281016Z POSS DUPE  
ACTION AF-08

INFO OCT-01 ISO-00 EB-08 AID-05 TRSE-00 FRB-03 CIAE-00  
INR-07 NSAE-00 SP-02 /034 W  
-----290407Z 084928 /54  
R 280916Z JAN 77  
FM AMEMBASSY ADDIS ABABA  
TO SECSTATE WASHDC 2479  
INFO AMCONSUL ASMARA

LIMITED OFFICIAL USE ADDIS ABABA 0499

E.O. 11652: N/A  
TAGS: EFIN, ET  
SUBJ: ETHIOPIAN CURRENCY CONVERSION

REF: 76 ADDIS ABABA 11107

1. ACCORDING TO ATO ATNAFU MENGISTU, HEAD OF THE INTERNATIONAL BANKING DEPARTMENT OF THE NATIONAL BANK OF ETHIOPIA, CURRENCY CONVERSION WAS COMPLETED AT CLOSE OF BUSINESS JANUARY 11 WITH NO SIGNIFICANT DIFFICULTIES. AT ATNAFU COULD NOT (OR WOULD NOT) REVEAL THE TOTAL QUANTITY OF OLD CURRENCY CONVERTED TO NEW. FINAL TALLIES HAVE NOT YET BEEN RECEIVED FROM SOME OF THE OUTLYING CONVERSION CENTERS AND ATO ATNAFU DOES NOT EXPECT AN ACCURATE COUNT OF (NEW) CURRENCY IN CIRCULATION UNTIL THE END OF MARCH. HE DID COMMENT THAT THE AMOUNT OF CONVERTED EXCEEDED HIS EXPECTATIONS.

2. AS SIDE EFFECT OF THE CURRENCY CONVERSION, SAVINGS DEPOSITS HAVE INCREASED DRAMATICALLY. ATO ATNAFU BELIEVES THIS REFLECTS INCREASED PUBLIC CONFIDENCE IN THE BANKING SYSTEM AND HE IS, OF COURSE, PLEASED BY IT. NEVERTHELESS, AS THE BANKS ARE IN A HIGHLY LIQUID POSITION AT THE MOMENT, THIS DEVELOPMENT IS PLACING PRESSURE ON THE PROFITABILITY OF THE TWO COMMERCIAL BANKS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ADDIS 00499 281016Z POSS DUPE

3. ATO ATNAFU SAID THAT ONLY ONE INCIDENT OCCURRED DURING THE CONVERSION PERIOD. DURING THE ABSENCE OF A BRANCH MANAGER WHO WAS ATTENDING A SEMINAR ON THE CONVERSION, THE OFFICER HE DESIGNATED TO TAKE HIS PLACE ABSCONDED WITH A CONSIDERABLE QUANTITY OF THE NEW CURRENCY. ATNAFU DID NOT DISCLOSE THE AMOUNT INVOLVED, HOWEVER. OTHERWISE NO INCIDENTS OCCURRED ANYWHERE IN THE COUNTRY.

4. COMMENT: AT ATNAFU'S COMMENTS RE THE SMOOTH FUNCIONING OF THE CURRENCY CONVERSION AGREE WITH OUR OBSERVATIONS. CONSIDERING THE RATHER PRIMITIVE STATE OF THE BANKING SYSTEM IN ETHIOPIA, THE CURRENCY CONVERSION WAS CARRIED OUT WITH A REMARKABLE DEGREE OF EFFICIENCY AND IS A CREDIT TO THE INSTITUTIONS AND PERSONNEL INVOLVED.

TIENKEN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN EXCHANGE RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 28-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977ADDIS00499  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770032-0472  
**Format:** TEL  
**From:** ADDIS ABABA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770110/aaaaaikip.tel  
**Line Count:** 70  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 2da8b5cf-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 ADDIS ABABA 11107  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 01-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3478286  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ETHIOPIAN CURRENCY CONVERSION  
**TAGS:** EFIN, ET, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/2da8b5cf-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009